



Committee On Finance

Max Baucus, Chairman

NEWS RELEASE

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For Immediate Release
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Baucus Announces Hearing on Medicaid Upper Payment Limits

Hearing: Medicaid Upper Payment Limits: "Restoring the State-Federal Partnership."
Date/Time: September 13, 2001, at 10:00 a.m.
Location: 215 Dirksen Senate Office Building

Description: Last September, the Finance Committee held an oversight hearing on Medicaid Upper Payment Limits (UPL) to examine loopholes in Medicaid regulations that allowed states to claim federal Medicaid funds in a way that bypassed traditional Medicaid matching rates. The operation of the regulations caused the federal government to pay a higher percentage of costs and enabled state and local governments to pay a reduced share. The Bush administration issued a final regulation on September 4, 2001 that creates a separate one-year transition period for states that received approval of their enhanced UPL payment arrangements after the January rule took effect. In addition to receiving background testimony on the history of UPL financing arrangements, the committee will examine what, if any, progress has been made in reducing state reliance on UPL financing schemes. The committee will explore options for restoring an appropriate balance between the federal and state governments, and examine recent action taken by the Bush administration to allow some additional states to establish new UPL arrangements.

Witness List

The Honorable Thomas A. Scully, Administrator, Centers for Medicare and Medicaid Services, Washington, DC;

Kathryn G. Allen, Director, Health Care - Medicaid and Private Insurance Issues, United States General Accounting Office, Washington, DC;

Michael Mangano, Principal Deputy Inspector General, Office of the Inspector General, Department of Health and Human Services, Washington, DC;

Larry S. Gage, President, National Association of Public Hospitals and Health Systems, Washington, DC;

Ray Scheppach, Executive Director, National Governors Association, Washington, DC

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Written Statements: Any individuals or organizations wanting to present their views on these hearings to the Committee are urged to submit a typewritten, single-spaced, single-sided statement, not exceeding 10 pages in length, for inclusion in the hearing record. The date and subject of the hearing must appear on the first page of the statement. Three copies of the statement should be mailed to the Editorial Section, United States Senate, Committee on Finance, Washington, D.C. 20510. Two copies should be mailed to Kolan Davis, Minority Staff Director, United States Senate, Committee on Finance, 219 Dirksen Senate Office Building, Washington, D.C. 20510. Statements must be received no later than noon on Wednesday, September 26, 2001. Written statements must also be submitted on diskette in a format that can be read by personal computers (Wordperfect text is preferred; other formats will be accepted -- please identify format).